

Standard Operating Procedure:

Check Signing Authority Procedure

Division:

Financial Services

Effective Date:

11/17/2022

Executive Director Approval:

Reference to ASC or State Policy:

Revisions:



- I. PURPOSE:** This procedure establishes dollar limits and check signing authority.
- II. SCOPE:** This affects all CSU Fullerton Auxiliary Services Corporation (ASC) bank accounts.
- III. OBJECTIVE:** This procedure is to ensure segregation of duties assurance in the process of accounts payable invoices and printing checks. ASC employees should not be allowed to enter invoices, select invoices for payment, and then print and sign checks. At minimum, this process requires at least two individuals to ensure the integrity of the accounting system remains intact.
- IV. PROCEDURE:**

Authorized Check Signers: The Executive Director has primary check signing authority. The signature authority is granted by the ASC board and shall designate another individual as secondary signer. Additional individuals (with or without dollar limitations) may be authorized as necessary.

The primary signature is automatically imprinted on all checks after the accounts payable (AP) supervisor posts the checks. The secondary signer provides a wet signature on AP checks greater than \$5,000.00.

For checks requiring a second signature and the secondary signer is out of the office, the secondary signer's signature shall be imprinted on the check. This requires the primary signer to provide a wet signature for processing by AP staff.

Authorized Levels: The following signature levels will be required depending on the dollar amount of the AP check:

- **Amounts less than or equal to \$5,000.** A check issued for less than or equal to \$5,000 requires only one authorized signature. Typically, these checks are imprinted with the primary signer's signature.

- **Amounts greater than \$5,000.** A check issued for greater than \$5,000 requires two signatures. For the second signature, all supporting documents for the checks shall be provided before signing the checks.

Payroll Checks: Both the primary and secondary signatures are imprinted on payroll checks.

- V. APPROVALS:** ASC signature authorities are granted by ASC Board of Directors. Changes to the check signing authority procedure is approved by the Executive Director.
- VI. CONTROL AND COMPLIANCE:** ASC Information Technology is responsible for system controls and Controller is responsible for compliance with procedures.